

**DEPARTMENT OF TRANSPORTATION**

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April 1, 2011

*Hand delivered to  
JLBC 3/29/11  
M. Rago*

The Honorable Mark Leno, Chair  
Joint Legislative Budget Committee  
California State Senate  
1120 N. Street, Room 553  
Sacramento, CA 95814

Dear Senator Leno:

I am pleased to submit the California Department of Transportation's (Caltrans) quarterly report on the *Project Resourcing and Schedule Management System*. This report is required under the provisions of Item 2660-492-0042 of the Budget Act of 2005. The provision states:

"Beginning July 1, 2005, the Department of Transportation shall provide to the Chairperson of the Joint Legislative Budget Committee copies of the monthly status and oversight reports submitted to the Department of Finance for the Project Resource and Scheduling Management Project on a quarterly basis."

The enclosed package contains three monthly reports that were submitted by the Independent Project Oversight Consultant to the California Department of Finance from December 1, 2010, through February 28, 2011. These reports identify potential risks with significant probability of occurrence and impact. Caltrans is actively monitoring these risks and mitigating them as identified in Attachment A.

Distribution to the Legislature has been made by Caltrans pursuant to California Government Code section 9795. This report can be found at [www.dot.ca.gov/reports.htm](http://www.dot.ca.gov/reports.htm).

Sincerely,

*Cindy McKim*  
CINDY McKIM  
Director

Attachment

## ATTACHMENT A

	Risk Title	Risk Mitigation Summary	Page
1	R-3: PRSM Project Costs	The end-of-Adaptation milestone of November 23, 2010, signifying the end of the Adaptation Phase, was not met by the Vendor. Subsequently, the Vendor proposed a restructuring of the project to address the schedule delay, the details of which were in negotiations until December 2010 without agreement. The Vendor subsequently submitted a revised statement of work on March 11, 2011 and is currently in negotiations.	8 of 48
2	R-2: Resource Availability	Caltrans has incorporated resource assignments in its PRSM project work plan that is integrated with the Vendor's effort. Further schedule refinements identify necessary resources. At this time there do not appear to be any Caltrans resource availability issues.	8 of 48
3	R-1: Business Process Change and Organizational Change Management	Business Process Change has been addressed in two ways: First, a reworking of certain processes in existing information systems that PRSM will interface with, specifically Staff Central and E-FIS; second, the distribution of the To-Be business processes throughout the organization.  An Organizational Change Management Plan has been composed to address the necessary changes to roles and responsibilities of staff within the Capital Program.	9 of 48